

## 2. Governor's Recommend FY17 State Employee Compensation Plan

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**GOVERNOR DAUGAARD'S RECOMMENDATION FOR THE  
FY2017 STATE EMPLOYEE COMPENSATION PLAN**

	<u>GENERAL FUNDS</u>	<u>FEDERAL FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL FUNDS</u>
<b>MARKET ADJUSTMENT</b>	<b>\$ 9,236,940</b>	<b>\$ 4,058,267</b>	<b>\$10,166,930</b>	<b>\$23,462,137</b>

The Governor is recommending all permanent state employees receive a 2.7% market adjustment. Employees in the career bands will receive market adjustments based on actual market movement of their job family.

<b>Permanent Employees</b> (excluding Career Band Employees)	Annual Adjustment	2.7%
<b>Career Band Employees</b>	Actual Market Adjustments	
	Accountants / Auditors	0.0%
	Information Technology	0.0%
	Nurses	1.0%
	Environmental Scientists	2.5%
	Engineers	2.7%

<b>MOVEMENT TOWARD MARKET VALUE:</b>	<b>\$ 4,316,305</b>	<b>\$ 2,482,671</b>	<b>\$ 4,269,958</b>	<b>\$11,068,934</b>
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For FY2017, the employees in the General Pay Structure established last year are recommended to receive 2.5% movement towards their new market values. The Career Band families are recommended to receive 0-4.5% increases, averaging 2.5%, based on pay-for-performance and position in range. The pay-for-performance increases will be applied to the employees' base salary or wage.

<b>General Pay Structure Employees *</b>	Movement Towards Market Value	2.5%
<b>Career Band Employees</b>	Performance-Based Adjustment	0 to 4.5%
<b>Unclassified Employees</b>		0%

*\* Includes General Pay Structure and agencies with established classifications and assigned pay grades*

<b>HEALTH INSURANCE CHANGE:</b>	<b>\$ (1,453,652)</b>	<b>\$ (708,694)</b>	<b>\$ (1,566,777)</b>	<b>\$ (3,729,123)</b>
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A decrease of \$275 per benefitted employee is recommended by the Governor for the employer-paid portion of the state employee health insurance plan for FY2017.

<b>TOTAL COST OF RECOMMENDED STATE EMPLOYEE COMPENSATION PLAN:</b>	<b><u>\$12,099,593</u></b>	<b><u>\$ 5,832,244</u></b>	<b><u>\$12,870,111</u></b>	<b><u>\$30,801,948</u></b>
<b>REMAINING FY2016 POOL:</b>	<b>\$ (2,270)</b>	<b>\$ (312,180)</b>	<b>\$ (490,026)</b>	<b>\$ (804,476)</b>
<b>TOTAL INCREASE FOR RECOMMENDED STATE EMPLOYEE COMPENSATION PLAN:</b>	<b><u>\$12,097,323</u></b>	<b><u>\$ 5,520,064</u></b>	<b><u>\$12,380,085</u></b>	<b><u>\$29,997,472</u></b>

For FY2017, the state employee compensation plan was recommended as a pool in the Bureau of Finance and Management to be distributed to the agencies after the preliminary career band pay-for-performance scores and percentages have been calculated.